



BOND INFORMATION AND INSTRUCTIONS

There are four types of bonds accepted by the Idaho Department of Lands. All bonds must be submitted on an Idaho Department of Lands issued bond form with accompanying documents attached.

1. Corporate Surety Bonds

Surety bonds are purchased from a bond or insurance company licensed to do business in Idaho. The company issuing the bond must include their bond number and the lease/plan/permit number on the upper right hand corner of the form. The bond must be made payable to the State of Idaho and carry the notarized signature of the surety and signature of the principal.

2. Collateral Bonds – All of these bonds must be submitted to the Department with a completed, notarized collateral bond form.

❖ Certificate of Deposit - Time Deposit Receipt

Certificates of deposit and time deposit receipts must be issued by a federally insured institution. Certificates and receipts will not be released for re-issuance and should therefore be automatically renewable. The certificate or deposit receipt must be made out to the principal (first) or the Idaho Department of Lands (second), (i.e., "John Doe, et al or Idaho Department of Lands"), in that order. The State retains physical possession of the document. **NOTE: only original documents** will be accepted in lieu of bond. If the issuing bank is not located in the State of Idaho or does not have a branch in Idaho, then a jurisdiction agreement must be executed by the bank and returned to the Department of Lands.

❖ Letters of Credit

Letters of credit must be issued by an institution authorized to do business in the State of Idaho, or through a confirming bank authorized to do business in the State of Idaho, which engages that it will itself honor the credit in full. In addition, a foreign bank must consent to jurisdiction of Idaho courts. Wording of the credit document must provide for presentation at a bank in the State of Idaho. The account party on all credits must be identical to the entity identified on the lease, permit or plan. The credit document must exactly follow the wording of the enclosed sample. A Certificate of Secretary (see sample) must always accompany a letter of credit.

❖ Cash

An operator or lessee may submit a cash bond to be held by the Idaho Department of Lands. Interest does not accrue on cash bonds.

NOTE: ANY BOND SUBMITTED, REGARDLESS OF TYPE, REQUIRES A FULLY EXECUTED ORIGINAL DEPARTMENT ISSUED BOND FORM. THE BONDING REQUIREMENT IS NOT SATISFIED UNTIL THE BONDING FORM HAS BEEN SUBMITTED WITH THE APPROPRIATE DOCUMENTATION ATTACHED THERETO.